

# ***2004 Statutes of Interest to County Tax Collectors***

## **TABLE OF CONTENTS**

**[Civil Statutes Affected](#)**

**[Government Statutes Affected](#)**

**[Public Resources Statutes Affected](#)**

**[Revenue and Taxation Statutes Affected](#)**

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RETURN TO **[PUBLICATIONS MENU](#)**

**Civil Statutes Affected**

[§1812.601 PUBLIC AUCTION - DEFINITION](#)

**Government Statutes Affected**

[§50057 \\$1,000 OR LESS: BOARD MAY DELEGATE ITS AUTHORITY TO ACT](#)

[§53601.2 INVESTMENTS IN COMMERCIAL PAPER – LLC'S](#)

**Public Resources Statutes Affected**

[§4138-4140.7 STATE RESPONSIBILITY AREA FIRE PROTECTION BENEFIT FEES](#)

**Revenue and Taxation Statutes Affected**

§205.5	VETERANS' HOMEOWNERS' EXEMPTION
§2503.1	ELECTRONIC FUNDS TRANSFER: DEFINITION
§2503.2	ACCEPTANCE OF EFT PAYMENTS AT PUBLIC AUCTION
§2504	NEGOTIABLE PAPER: EXPANDS DEFINITION TO INCLUDE ALL OF DIVISION 1 OF THE REVENUE AND TAXATION CODE
§2508	RETURN OF NEGOTIABLE PAPER TENDERED FOR ANY REQUIREMENT OF DIVISION 1 OF THE REVENUE AND TAXATION CODE
§2782	INTEREST ON REPLICATED PAYMENTS
§3351	NOTICE OF IMPENDING DEFAULT
§3361	PUBLISHED NOTICE OF POWER TO SELL PROPERTY AFTER THREE YEARS OF DEFAULT
§3362	CONTENTS OF NOTICE
§3450	DEFINITION OF NEGOTIABLE PAPER
§3451	ACCEPTABLE PAYMENT METHODS ALLOWED
§3453	DEPOSIT OF NEGOTIABLE PAPER
§3454	REFUND ON NONPAYMENT OF NEGOTIABLE PAPER
§3456	CLAIM AGAINST BIDDER FOR NONPAYMENT

## Revenue and Taxation Statutes Affected

§3457	ACTIONS AGAINST BIDDER ON NONPAYMENT
§3691	POWER TO SELL
§3691.2	CONTENTS OF NOTICE
§3692	SEALED BID SALE TO EASEMENT HOLDERS
§3692.1	CONDUCTING THE PUBLIC AUCTION: DEFINITIONS
§3692.2	ADDITIONAL REQUIREMENTS FOR INTERNET AUCTIONS
§3692.3	PROPERTY IS SOLD AS IS
§3692.4	PROPERTY NEEDED FOR LOW-INCOME HOUSING
§3693	PAYMENT REQUIREMENTS
§3693.1	CREDIT TRANSACTIONS
§3702	CLARIFIED WHEN FIRST PUBLICATION MUST APPEAR
§3704	CONTENTS OF NOTICE OF TAX SALE
§3706.1	POSTPONEMENT OF SALE OF PROPERTY
§3707	REDEMPTION RIGHTS
§3710	SPECIFIES THE SALE DATE
§3716	CONFORMING LANGUAGE REGARDING THE DATE OF THE SALE

## Revenue and Taxation Statutes Affected

§3717.5	REPEAL OF OBSOLETE LANGUAGE
§3791	PURCHASE BY TAXING AGENCY FROM COUNTY
§3791.3	PURCHASE BY THE STATE, COUNTY, REVENUE DISTRICT OR REDEVELOPMENT AGENCY
§3792	JOINT PURCHASE OF TAX-DEFAULTED PROPERTY
§3811	REPORT TO THE CONTROLLER, ASSESSOR AND AUDITOR: CLEANUP LANGUAGE
§4217	INSTALLMENT PLAN OF REDEMPTION
§4672	DISTRIBUTION TO THE STATE: CLEANUP LANGUAGE
§4672.1	DISTRIBUTION TO THE COUNTY: CLEANUP LANGUAGE
§4986	CANCELLATION OF ERRONEOUS ASSESSMENT
§4986.6	UNPROBATED TAX-DEFAULTED PROPERTY
§7280	TRANSIENT OCCUPANCY TAX
§7283.5	TRANSIENT OCCUPANCY TAX
§7283.51	TRANSIENT OCCUPANCY TAX
	TRANSIENT OCCUPANCY TAX – LEGISLATIVE INTENT
§20583	POSTPONEMENT OF TAXES ON PROPERTY HELD IN TRUST
§20584	PROPERTY TAX POSTPONEMENT - PAYMENT OF DELINQUENT TAXES
§20602	PROPERTY TAX POSTPONEMENT – DIRECT PAYMENTS

## Section 1812.601 Amended

(a) "Advertisement" means any of the following:

(1) Any written or printed communication for the purpose of soliciting, describing, or offering to act as an auctioneer or provide auction company services, including any brochure, pamphlet, newspaper, periodical, or publication.

(2) A telephone or other directory listing caused or permitted by an auctioneer or auction company to be published that indicates the offer to practice auctioneering or auction company services.

(3) A radio, television, or similar airwave transmission that solicits or offers the practice of auctioneering or auction company services.

(b) "Auction" means a sale transaction conducted by means of oral or written exchanges, ***which include exchanges made in person or through electronic media***, between an auctioneer and the members of his or her audience, which exchanges consist of a series of invitations for offers for the purchase of goods made by the auctioneer and offers to purchase made by members of the audience and culminate in the acceptance by the auctioneer of the highest or most favorable offer made by a member of the participating audience. However, auction does not include either of the following:

## **Section 1812.601 Amended (continued)**

(1) A wholesale motor vehicle auction subject to regulation by the Department of Motor Vehicles.

(2) A sale of real estate or a sale in any sequence of real estate with personal property or fixtures or both in a unified sale pursuant to subparagraph (B) of paragraph (1) of subdivision (a) of Section 9604 of the Commercial Code.

(c) "Auction company" means any person who arranges, manages, sponsors, advertises, accounts for the proceeds of, or carries out auction sales at locations, including, but not limited to, any fixed location, including an auction barn, gallery place of business, sale barn, sale yard, sale pavilion, and the contiguous surroundings of each.

(d) "Auctioneer" means any individual who is engaged in, or who by advertising or otherwise holds himself or herself out as being available to engage in, the calling for, the recognition of, and the acceptance of, offers for the purchase of goods at an auction.

(e) "Employee" means an individual who works for an employer, is listed on the employer's payroll records, and is under the employer's control.

### **Section 1812.601 Amended (continued)**

(f) "Employer" means a person who employs an individual for wages or salary, lists the individual on the person's payroll records, and withholds legally required deductions and contributions.

(g) "Goods" means any goods, wares, chattels, merchandise, or other personal property, including domestic animals and farm products.

(h) "Person" means an individual, corporation, partnership, trust, including a business trust, firm, association, organization, or any other form of business enterprise.



## **Section 50057 Added**

For individual items in the amount of one thousand dollars (\$1,000) or less, the legislative body of any county may, by resolution, authorize the county treasurer to perform on its behalf any act required or authorized to be performed by it under Sections 50050, 50053, and 50055. The resolution shall require that the county auditor be informed of each act performed under the authorization.

## **Section 53601.2 Added**

*As used in this article, "corporation" includes a limited liability company*

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[STATUTES TOC](#)

[◀ NEXT SECTION ▶](#)

[◀ MORE TEXT ▶](#)  
[BILL INFORMATION](#)

## Section 4138-4140.7 Repealed

~~(a) The presence of homes and other structures within state responsibility areas poses an added burden to the state's wildland firefighting resources, the incremental cost of which should be borne by the owners of these homes and structures.~~

~~(b) Individual land owners within state responsibility areas receive a disproportionate benefit, which is greater than that realized by the state's citizens generally, from fire prevention and suppression services provided by the state.~~

~~(c) In most cases local firefighting entities are available to provide structural fire protection within state responsibility areas.~~

~~It is not the intent of the Legislature to substitute the state's firefighting capability for these existing services or to supplant them. However, these entities often do not possess sufficient equipment, personnel, and other necessary resources to meet the demand placed upon them in the event of large wild fires, and the state must at times provide additional firefighting resources to protect structures.~~

## Section 4138-4140.7 Repealed (continued)

~~(d) It is the intent of the Legislature to provide for equitable distribution of the economic burden of fire prevention and suppression in state responsibility areas between the citizens of the state who generally benefit from those activities and those landowners who receive a specific benefit other than that general benefit.~~

~~(e) It is necessary to impose a fee based upon the reasonable value of the specific benefit received by landowners within state responsibility areas. Furthermore, the presence of homes and other structures on a given parcel, and the size of the parcel, constitute a reasonable relationship to fire prevention and suppression benefits received.~~

~~(f) Imposition of these fees is necessary to sustain service levels associated with the department's recent protection levels, to maintain sufficient depth of forces, and to maintain the ability to provide state assistance under various mutual aid arrangements.~~

~~(g) All revenues generated by state responsibility area fire protection benefit fees imposed under this article and used for the purposes for which they are imposed, are not proceeds of taxes subject to Article XIII B of the California Constitution.~~

## Section 4138-4140.7 Repealed (continued)

~~(h) Nothing in this article requires the state to provide fire prevention and suppression services beyond those set forth in this chapter, or that landowners actually use the services provided.~~

~~4139. (a) A state responsibility area fire protection benefit fee shall be imposed annually on each parcel of land located, in whole or in part, within state responsibility areas, as defined in Section 4102, except that the benefit fee may not be imposed on any of the following:~~

~~Parcels exempt from property taxes.~~

~~(2) Parcels owned by a public agency and located within the boundaries of the public agency.~~

~~(b) For the 2003-04 fiscal year, the benefit fee for each parcel shall be seventy dollars (\$70) so that a total of thirty-five dollars (\$35) per parcel may be collected pursuant to subdivision (c) of Section 4139; for the 2004-05 fiscal year, the benefit fee for each parcel shall be thirty-five dollars (\$35).~~

## Section 4138-4140.7 Repealed (continued)

~~(c) Benefit fees imposed for the 2003-04 fiscal year may be apportioned for that period of the fiscal year in which this section is in effect, but that apportionment may not be less than one half of a year. Benefit fees imposed for the 2003-04 fiscal year may be billed with the benefit fees imposed for the 2004-05 fiscal year and shall be payable by the owner of record on January 1 of the preceding fiscal year as shown on the county's secured property tax rolls. The department shall notify each affected county treasurer by June 30, 2004, of the amount it anticipates owners to remit for the 2003-04 fiscal year.~~

~~(d) The department shall have access to all county assessment records for purposes of administering the benefit fees imposed pursuant to this article. The department may authorize individual counties to perform that work on its behalf.~~

~~(e) The benefit fees shall be collected by each county in the same manner and at the same time as secured property taxes. Notwithstanding any other provision of law, the county collecting the benefit fees may increase the benefit fees by an amount to cover its reasonable cost of levying, collection, and apportionment and may retain that increased amount.~~

## Section 4138-4140.7 Repealed (continued)

~~(f) All laws relating to the levy, collection, and enforcement of county taxes apply to the benefit fees imposed pursuant to this article.~~

~~(g) It is essential that this article be implemented without delay. To permit timely implementation, the department may contract for services related to establishment of the fee collection process. For this purpose only, and for a period not to exceed 24 months, no provision of the Public Contract Code or any other provision of law related to public contracting applies.~~

~~4140. (a) Each county treasurer shall, not later than 30 days following the collection of state responsibility area fire protection benefit fees, remit all fees collected, except that portion retained pursuant to subdivision (e) of Section 4139, to the Treasurer for deposit in the State Responsibility Area Fire Protection Fund, which is hereby created in the State Treasury.~~

~~(b) Money deposited in the State Responsibility Area Fire Protection Fund shall be available, upon appropriation by the Legislature, to the department for the purpose of providing fire prevention and suppression benefits to landowners in state responsibility areas.~~

## **Section 4138-4140.7 Repealed (continued)**

~~(c) If the total amount deposited in the State Responsibility Area Fire Protection Fund in any fiscal year exceeds the amount encumbered for fire protection and suppression services in state responsibility areas attributable to benefits conferred on parcels subject to the fees, the fees for the following fiscal year shall be reduced accordingly.~~

~~(d) Notwithstanding any other provision of law, the fees imposed during any fiscal year may be accounted for on an accrued basis. The department may borrow against anticipated revenues to the State Responsibility Area Fire Protection Fund to meet cash flow needs.~~

~~(e) Notwithstanding any other provision of law, a loan obtained pursuant to subdivision (d) shall be interest free. The department shall repay the loan in a timely manner from revenues received into the State Responsibility Area Fire Protection Fund.~~

~~(f) Notwithstanding any other provision of law, the State Responsibility Area Fire Protection Fund is exempt from Article 2 (commencing with Section 11270) of Chapter 3 of Part 1 of Division 3 of Title 2 of the Government Code.~~



## Section 4138-4140.7 Repealed (continued)

~~4140.5. This article does not prohibit a local district from contracting with the department for the provision of structural or wildland fire suppression.~~

~~4140.7. (a) The director, in consultation with the board, local governments, local fire districts, state and local firefighter employee organizations, and other interested parties, the combination of which shall represent a geographic balance within state responsibility areas, shall convene a stakeholder group to evaluate the method by which fire protection and suppression services in state responsibility areas are provided, and to make a report containing the information listed in subdivision (c) available to the Legislature on or before January 1, 2006.~~

~~(b)(1) The director shall post notice of all of the stakeholder group's meetings on the department's Web site at least two weeks before each meeting.~~

~~The stakeholder group's meetings shall be held in various locations throughout the state.~~

~~All meetings of the stakeholder group shall be open to the public.~~

~~(c) The report shall contain at least all of the following:~~

~~A summary of the current legal and financial relationships between the state and local governments and local fire districts, with respect to fire protection in state responsibility areas.~~

## Section 4138-4140.7 Repealed (continued)

~~(2) All relevant information and policy options pertaining to whether increased responsibility, funding, and training, with respect to state responsibility areas, should be given to local governments and local fire districts.~~

~~(3) All relevant arguments pertaining to whether the collection of state fees for fire protection and suppression services in state responsibility areas in all areas of the state should continue in order to ensure that the beneficiaries of fire protection and suppression services are paying for those services.~~

~~(4) Recommendations on the conditions and terms by which a fee for fire suppression and protection services should be continued and in what amount, taking into account local conditions and the various circumstances under which fire protection and suppression services are currently structured.~~

~~(5) A recommendation of whether the designation and delineation of state responsibility areas can be improved to ensure that local governments and residents are aware of the boundaries of state responsibility areas.~~

## Section 205.5 Amended

(a) Property that ~~is owned by, and~~ constitutes the principal place of residence of a veteran, ***that is owned by the veteran, the veteran's spouse, or the veteran and the veteran's spouse jointly***, is exempted from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), ***as adjusted for the relevant assessment year as provided in subdivision (h)***, if the veteran is blind in both eyes, has lost the use of two or more limbs, or if the veteran is totally disabled as a result of injury or disease incurred in military service. The one hundred thousand dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), ***as adjusted for the relevant assessment year as provided in subdivision (h)***, in the case of an eligible veteran whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(b) ***(1)*** For purposes of this section, "veteran" means either of the following:

***(1)*** ***(A)*** A veteran as specified in subdivision (o) of Section 3 of Article XIII of the California Constitution without regard to any limitation contained therein on the value of property owned by the veteran or the veteran's spouse.

## Section 205.5 Amended (continued)

(2) **(B)** Any person who would qualify as a veteran pursuant to paragraph (1) except that he or she has, as a result of a service-connected injury or disease, died while on active duty in military service. The United States Department of Veterans Affairs shall determine whether an injury or disease is service connected.

*(2) For purposes of this section, property is deemed to be the principal place of residence of a veteran, disabled as described in subdivision (a), who is confined to a hospital or other care facility, if that property would be that veteran's principal place of residence were it not for his or her confinement to a hospital or other care facility, provided that the residence is not rented or leased to a third party. A family member that resides at the residence is not considered to be a third party.*

(c) (1) Property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a deceased veteran is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), *as adjusted for the relevant assessment year as provided in subdivision (h)*, in the case of a veteran who was blind in both eyes, had lost the use of two or more limbs, or was totally disabled provided that either of the following conditions is met:

## Section 205.5 Amended (continued)

(A) The deceased veteran during his or her lifetime qualified in all respects for the exemption or would have qualified for the exemption under the laws effective on January 1, 1977, except that the veteran died prior to January 1, 1977.

(B) The veteran died from a disease that was service connected as determined by the United States Department of Veterans Affairs.

The one hundred thousand dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), *as adjusted for the relevant assessment year as provided in subdivision (h)*, in the case of an eligible unmarried surviving spouse whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

## Section 205.5 Amended (continued)

(2) Commencing with the 1994-95 fiscal year, property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran as described in paragraph (2) of subdivision (b) is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), *as adjusted for the relevant assessment year as provided in subdivision (h)*. The one hundred thousand dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), *as adjusted for the relevant assessment year as provided in subdivision (h)*, in the case of an eligible unmarried surviving spouse whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(d) As used in this section, "property that is owned by a veteran" or "property that is owned by the veteran's unmarried surviving spouse" includes all of the following:

(1) Property owned by the veteran with the veteran's spouse as a joint tenancy, tenancy in common, or as community property.

(2) Property owned by the veteran or the veteran's spouse as separate property.

## **Section 205.5 Amended (continued)**

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran's spouse, or both the veteran and the veteran's spouse.

(4) Property owned by the veteran's unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran's unmarried surviving spouse.

(5) So much of the property of a corporation as constitutes the principal place of residence of a veteran or a veteran's unmarried surviving spouse when the veteran, or the veteran's spouse, or the veteran's unmarried surviving spouse is a shareholder of the corporation and the rights of shareholding entitle one to the possession of property, legal title to which is owned by the corporation. The exemption provided by this paragraph shall be shown on the local roll and shall reduce the full value of the corporate property. Notwithstanding any provision of law or articles of incorporation or bylaws of a corporation described in this paragraph, any reduction of property taxes paid by the corporation shall reflect an equal reduction in any charges by the corporation to the person who, by reason of qualifying for the exemption, made possible the reduction for the corporation.

## Section 205.5 Amended (continued)

(e) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less, or concentric contraction of the visual field to 5 degrees or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and being totally disabled means that the United States Department of Veterans Affairs or the military service from which the veteran was

discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(f) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of the veteran's exemption provided by subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the California Constitution and any other real property tax exemption to which the claimant may be entitled. No other real property tax exemption may be granted to any other person with respect to the same residence for which an exemption has been granted under the provisions of this section; provided, that if two or more veterans qualified pursuant to this section coown a property in which they reside, each is entitled to the exemption to the extent of his or her interest.



## Section 205.5 Amended (continued)

(g) Commencing on January 1, 2002, and for each assessment year thereafter, the household income limit shall be compounded annually by an inflation factor that is the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

***(h) Commencing on January 1, 2006, and for each assessment year thereafter, the exemption amounts set forth in subdivisions (a) and (c) shall be compounded annually by an inflation factor that is the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.***

Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state may not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

## Section 2503.1 Amended

As used in this ~~division chapter~~, "electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to credit or debit an account.

## Section 2503.2 Amended

. (a) The tax collector for any city, county, or city and county may, in his or her discretion, accept electronic funds transfers in payment *for a purchase at a tax sale*, of any tax, ~~or~~ assessment, or on a redemption.

(b) The tax collector for any city, county, or city and county may, in his or her discretion, require any taxpayer, or any paying agent of a taxpayer or taxpayers, who makes an aggregate payment of fifty thousand dollars (\$50,000) or more on the two most recent regular installments on the secured roll or on the one installment of the most recent unsecured tax roll, to make subsequent payments by electronic funds transfer.

(c) Any taxpayer or paying agent making payment by electronic funds transfer shall provide any supporting documentation and electronic information as requested by the tax collector. An electronic funds transfer made pursuant to this section shall be made to the bank account designated by the tax collector.

(d) Any costs incurred by the tax collector as a result of the acceptance of electronic funds transfers pursuant to this section shall be considered administrative costs of tax collection, except that if for any reason the electronic funds transfer is not completed, those costs shall be recovered as provided in subdivision (g).

## **Section 2503.2 Amended (continued)**

(e) The acceptance of an electronic funds transfer shall constitute payment of a tax, assessment, or redemption as of the date of acceptance when, but not before, the transfer has been completed.

An electronic funds transfer is completed by acceptance by the bank designated by the tax collector of the payment specified by the originator's payment order.

(f) If an electronic funds transfer is not accepted for any reason, any record of payment entered on any official record indicating the acceptance of that transfer shall be canceled, and the tax or assessment shall be a lien as if no payment has been attempted. When a cancellation of a record of payment is made, the canceling officer shall record the cancellation on the record that contained the notation of payment, and immediately shall cause a written notice of cancellation to be sent to the person attempting the electronic funds transfer.

## **Section 2503.2 Amended (continued)**

(g) Upon notice of nonacceptance of an electronic funds transfer, the tax collector may charge the person who attempted the electronic funds transfer a fee not to exceed the costs of processing the transfer, providing notice of nonacceptance to that person, and making required cancellations on the tax roll. The amount of any fee charged pursuant to this subdivision shall be set by the governing body of the relevant city, county, or city and county, and may be added to the tax bill and collected in the same manner as costs recovered pursuant to Section 2621.

## Section 2504 Amended

As used in this *division* chapter, "negotiable paper" means bank checks and drafts and express and post office money orders.

## Section 2508 Amended

If any negotiable paper is returned unpaid to the bank with which it was deposited *pursuant to any requirement of this division*, the bank shall return it to the officer who deposited it and, if its amount has been included in any cashier's check given by the bank, the bank is entitled to a refund in the amount of the unpaid negotiable paper. Any negotiable paper redeemed by or charged back to the county treasurer by reason of nonpayment shall be returned to the officer who deposited it with him in exchange for currency, other negotiable paper or for the warrant of the county auditor drawn on the fund into which the original deposit was made.

## Section 2782 Amended

If a replicated tax payment is not returned to the tendering party within 60 days as provided in this chapter, the county shall, in addition to returning the replicated payment as soon as practicable, pay the tendering party interest, *if that interest is ten dollars (\$10) or more*, on the amount of replicated payment at the rate provided in Section 5151. The interest shall be computed for the period beginning 60 days after the county receives the replicated payment to the date the replicated payment is returned to the tendering party.



## Section 3351 Amended

Annually, on or before June 8, the tax collector shall publish a notice of impending default for failure to pay taxes on real property, except tax-defaulted property and possessory interests, the taxes, assessments, penalties, and costs on which will have not been fully paid by the close of business ***on June 30, or the next business day if June 30 falls on a Saturday, Sunday, or a legal holiday*** ~~of the fiscal year.~~

(b) If the tax collector sends reminder notices prior to the close of the fiscal year and annually sends a redemption notice of prior year due taxes, the notice required by subdivision (a) shall only include properties that have been tax-delinquent for three or more years and for which the latest reminder notice or redemption notice was returned to the tax collector as undeliverable.

## Section 3361 Amended

. Annually, on or before June 8th, the tax collector shall publish a notice of power and intent to sell all property ~~that which~~ will be tax defaulted for ~~five or more years on the date specified~~ *one of the following:*

*(a) Five years or more on the date specified.*

*(b) Three or more years on the date specified in the case of residential real property that could serve the public benefit by providing housing or services directly related to low-income persons, for which a request has been made by a city, county, city and county, or nonprofit organization, pursuant to Section 3692.4, to offer that property at the next scheduled public auction.*

*(c) Three years or more in the case of nonresidential commercial property, as defined in Section 3691, in an applicable county, on the date specified.*

## Section 3362 Amended

The published notice shall show:

(a) The date of the notice.

(b) (1) That on July 1, five years or more will have elapsed since the property became tax defaulted; *or*

*(2) That, on July 1, three years or more in the case of nonresidential commercial property, as defined in Section 3691, in an applicable county will have elapsed since the property became tax defaulted; or*

*(3) That, on July 1, in the case of real property that could serve the public benefit by providing housing or services directly related to low-income persons, three years or more have elapsed, and a request has been made by a city, county, city and county, or nonprofit organization, pursuant to Section 3692.4, to offer that property at the next scheduled public auction.*

(c) That, unless sooner redeemed or an installment plan of redemption is initiated, the property will be sold.

(d) That the power to sell for nonpayment of taxes arises if the property remains tax defaulted at 12:01 a.m. on July 1.

## **Section 3362 Amended (continued)**

- (e) That if the property is sold for nonpayment of taxes the right of redemption will terminate.
- (f) The official who will furnish all information concerning redemption.
- (g) The fiscal year for which the defaulted taxes were levied.
- (h) A description of the property. The assessments contained in this notice shall be numbered in ascending numerical order.
- (i) The amount of taxes originally declared in default opposite the description of the property.
- (j) The name of the assessee on the current roll.
- (k) The street address of the property, if any, shown on the county assessment records.

## Section 3450 Repealed

~~3450. As used in this chapter and in Sections 3691 and 3693 of this code, "negotiable paper" means bank checks and drafts and express and post-office money orders.~~

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[STATUTES TOC](#)

[◀ NEXT SECTION ▶](#)

[◀ MORE TEXT ▶](#)  
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## Section 3451 Amended

The tax collector may, in his or her discretion, accept *any method of payment authorized by Section 2502, 2503.2, or 2504* ~~negotiable paper~~ in payment for tax-defaulted property and tax-defaulted property sold at public auction.

## Section 3453 Repealed

~~The tax collector may deposit negotiable paper accepted by him daily with a bank for collection and receive from the bank cashier's checks in an amount equal to the total deposits. The cashier's checks shall be deposited in the county treasury like cash received for the same purpose.~~

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[STATUTES TOC](#)

[◀ NEXT SECTION ▶](#)

[◀ MORE TEXT ▶](#)  
[BILL INFORMATION](#)

## Section 3454 Repealed

~~If any negotiable paper is returned unpaid to the bank with which it was deposited, the bank shall return it to the tax collector and, if its amount has been included in any cashier's check given by the bank, the bank is entitled to a refund in the amount of the unpaid negotiable paper.~~



## Section 3456 Amended

(a) If the payment ~~any part of a bid that was~~ accepted by the tax collector was wholly in negotiable paper which was not paid on due presentation ~~is not paid when due~~, the county shall have a claim against the person who attempted payment by the negotiable paper bidder for the **actual** cost of the sale. ~~The~~ **Immediately upon becoming past due, the** tax collector shall forthwith notify the bidder by registered ~~certified~~ mail the person so attempting payment with advice that his or her bid has been voided and state the amount of the county's claim, **which notice shall include all of the following:**

- (1) *That his or her bid has been voided because of the delinquent payment.*
  - (2) *The amount of the county's claim against the bidder.*
  - (3) *That the amount of the claim will be deducted from any deposit submitted by the bidder and that any remaining amount of the deposit is forfeited.*
- (b) *If a bidder does not pay any portion of a claim on or before 30 days after the notice is sent, both of the following apply:*

**Section 3456 Amended (continued)**

*(1) The county may utilize any means authorized by law to collect the claim, including, but not limited to, transferring the amount of the claim to the unsecured roll.*

*(2) The tax collector may prohibit the bidder from bidding on sales made pursuant to this chapter for up to five years*

## Section 3457 Amended

If the payment accepted by the tax collector was in part in negotiable paper which was not paid on due presentation, and in part in lawful money of the United States or part in negotiable paper which was duly paid, the tax collector shall deduct therefrom the cost of advertising such sale and forthwith refund the balance of such sum, together with the unpaid negotiable paper, by registered mail to the person so attempting payment, with advice that his bid has been voided.

## Section 3691 Amended

. (a) (1) *(A)* Five years or more, ***or three years or more in the case of nonresidential commercial property***, after the property has become tax defaulted, the tax collector shall have the power to sell and shall attempt to sell in accordance with Section 3692 all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of the parcels, as provided in this chapter, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may purchase at the sale. In the case of tax-defaulted property that has been damaged by a disaster in an area declared to be a disaster area by local, state, or federal officials and whose damage has not been substantially repaired, the five-year period set forth in this subdivision shall be tolled until five years have elapsed from the date the damage to the property was incurred.

***(B) A county may elect, by an ordinance or resolution adopted by a majority vote of its entire governing body, to have the five-year time period described in subparagraph (A) apply to tax-defaulted nonresidential commercial property.***

***(C) For purposes of this subdivision, "nonresidential commercial property" means all property except the following:***

## **Section 3691 Amended (continued)**

*(i) A constructed single-family or multifamily unit that is intended to be used primarily as a permanent residence, is used primarily as a permanent residence, or that is zoned as a residence, and the land on which that unit is constructed.*

*(ii) Real property that is used and zoned for producing commercial agricultural commodities.*

(2) When a part of a tax-defaulted parcel is sold, the balance continues subject to redemption and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7.

*(3) The tax collector shall provide notice of an intended sale under this subdivision in the manner prescribed by Sections 3704 and 3704.5 and any other applicable statute. If the intended sale is of nonresidential commercial property that has been tax-defaulted for fewer than five years, all of the following apply:*

## **Section 3691 Amended (continued)**

*(A) On or before the notice date, the tax collector shall also mail, in the manner specified in paragraph (1) of subdivision (c) of Section 2924b of the Civil Code, notice containing any information contained in the publication required under Sections 3704 and 3704.5 to, as applicable, all of the following:*

*(i) The parties specified in paragraph (2) of subdivision (c) of Section 2924b of the Civil Code.*

*(ii) Each taxing agency specified in paragraph (3) of subdivision (c) of Section 2924b of the Civil Code.*

*(iii) Any beneficiary of a deed of trust or a mortgagee of any mortgage recorded against the nonresidential commercial property, and any assignee or vendee of these beneficiaries or mortgagees.*

*(B) For purposes of this paragraph:*

*(i) "Notice date" means a date at least 90 days before an intended sale or at least 90 days before the date upon which the property may be sold.*

*(ii) "Recording date of the notice of default" as used in subdivision (c) of Section 2924b of the Civil Code means a date that is 30 days before the notice date.*

## Section 3691 Amended (continued)

*(iii) "Deed of trust or mortgage being foreclosed" as used in subdivision (c) of Section 2924b of the Civil Code means the defaulted tax lien.*

(b) (1) (A) Three years or more after the property has become tax defaulted and subject to a nuisance abatement lien *or a request has been made by a city, county, city and county, or nonprofit organization, pursuant to Section 3692.4*, to offer that property at the next scheduled public auction, the tax collector shall have the power to sell and may sell all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of parcels, as provided in this chapter, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may purchase at the sale.

(B) When a part of a tax-defaulted parcel is sold, the balance continues subject to redemption and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7.

## **Section 3691 Amended (continued)**

(2) Before the tax collector sells vacant residential developed property pursuant to this subdivision, actual notice, by certified mail, shall be provided to the property owner, if the property owner's identity can be determined from the county assessor's or county recorder's records. The tax collector's power of sale shall not be affected by the failure of the property owner to receive notice.

(3) Before the tax collector sells vacant residential developed property pursuant to this subdivision, notice of the sale shall be given in the manner specified by Section 3704.7.

*(c) The amendments made to this section by the act adding this subdivision apply to property that becomes tax defaulted on or after January 1, 2005.*



## Section 3691.2 Amended

The notice shall specify:

- (a) *A statement that five years or more have elapsed since the taxes or assessments on the parcel were declared in default; that three years or more in the case of nonresidential commercial property, as defined in Section 3691, have elapsed since the taxes or assessments on the parcel were declared in default; or that, pursuant to Section 3692.4, three years or more have elapsed and a request has been made by a city, county, city and county, or nonprofit organization to offer that property at the next scheduled public auction.*
- (b) That the property was duly assessed for taxation and the tax legally levied.
- (c) That the property is subject to sale for nonpayment of taxes.
- (d) The amount of taxes originally declared to be in default, unless there has been a partial cancellation of taxes, a redemption from a portion thereof, or a correction under Sections 4831.5 and 4876.5, in any of which events, the amount shall be the balance remaining.
- (e) A metes and bounds or lot-block-tract description of the property.

## Section 3692 Amended

The tax collector shall attempt to sell tax-defaulted property, as provided in this chapter, within four years of the time that the property becomes subject to sale for nonpayment of taxes unless, by other provisions of law, the property is not subject to sale. If there are no acceptable bids at the attempted sale, the tax collector shall attempt to sell the property at intervals of no more than six years until the property is sold.

(b) When oil, gas, or mineral rights are subject to sale for nonpayment of taxes, the tax collector may offer the interest at minimum bid to the holders of outstanding interests where the interest subject to sale is a partial interest or, where the interest subject to sale is a complete and undivided interest, to the owner or owners of the property to which the oil, gas, or mineral rights are appurtenant.

(c) When parcels that are rendered unusable by their size, location, or other conditions are subject to sale for nonpayment of taxes, the tax collector may offer the parcel, at a minimum bid, to owners of contiguous parcels *or to a holder of record of either a predominant easement or a right-of-way easement*. ~~The~~ *If the parcel is sold to a contiguous property owner, the* tax collector shall require that the successful bidder request the assessor and the planning director to combine the unusable parcel with the bidder's own parcel as a condition of sale.

## Section 3692 Amended (continued)

(d) Sealed bid sale procedures shall be used when offers are made pursuant to subdivision (b) or subdivision (c), and the property shall be sold to the highest eligible bidder. The offers shall remain in effect for 30 days or until notice is given pursuant to Section 3702, whichever is later.

(e) The Notice to the Board of Supervisors and Notice of Intended Sale of Tax-Defaulted Property shall indicate that any parcel remaining unsold may be reoffered within a 90-day period and any new parties of interest shall be notified in accordance with Section 3701. This subdivision ~~shall~~ *does* not apply to properties sold pursuant to Chapter 8 (commencing with Section 3771).

## Section 3692.1 Amended

*Notwithstanding any other provision of law, for purposes of this chapter, all of the following apply:*

*(a) "Close of auction" means the date and time for which the tax collector, or his or her designee, provides public notice of both of the following:*

*(1) That no additional property will be offered for sale for that public auction.*

*(2) That bidding for that public auction will end.*

*(b) "Date of the sale" means the date upon which a public auction begins.*

*(c) "Public auction" means any venue or medium to sell property under this chapter that provides reasonable access to the public to bid on and purchase this property.*

## **Section 3692.2 Added**

*A public auction conducted by electronic media, including the Internet, to sell property under this chapter shall have at least the following operational components:*

*(a) A component that allows bids to be submitted by computer.*

*(b) A component that authorizes the tax collector to accept bids for as long as he or she deems necessary.*

### **Section 3692.3 Added**

*(a) All property sold under this chapter is offered and sold as is.*

*(b) The state, the county, and an employee of these entities acting in the employee's official capacity in preparing, conducting, and executing a sale of property under this chapter, are not liable for any of the following:*

*(1) Known or unknown conditions of this property, including, but not limited to, errors in the assessor's records pertaining to improvement of the property.*

*(2) The failure of a device that is not owned, operated, and managed by the state or county, that prevents a person from participating in any sale under this chapter. For purposes of this paragraph, "device" includes, but is not limited to, computer hardware, a computer network, a computer software application, and a computer Web site.*

## **Section 3692.4 Added**

*(a) Notwithstanding any other provision of law, any county, city, city and county, or any nonprofit organization as defined in Section 3772.5, may request the tax collector to bring to the next scheduled public auction any residential real property that meets all of the following requirements:*

*(1) The property taxes have been delinquent for at least three years.*

*(2) The real property will serve the public benefit of providing housing directly related to low-income persons.*

*(3) The real property is not occupied by the owner as his or her principal place of residence.*

*(b) Every request submitted to the tax collector shall include the following:*

*(1) A formal resolution of the governing board of the county, city, city and county, or nonprofit organization, requesting the accelerated auction of the real property and stating the public benefit.*

*(2) A written plan for the development, rehabilitation, or proposed use of the real property and how low-income persons will be served.*

### **Section 3692.4 Added (continued)**

*(3) If the request is from a nonprofit organization, the request shall have a formal resolution of approval from the city council of the city in which the real property is located, or from the board of supervisors of the county if the real property is located in an unincorporated area.*

*(c) Upon receiving a request as provided by this section, the tax collector shall include the real property in the next scheduled public auction.*

*(d) If the real property is acquired by a nonprofit organization at auction, a deed restriction shall be placed on the real property, requiring the real property to be used for low-income housing for a period of 30 years.*

*(e) This section may not be construed to preclude the application, to the real property or the current owners of that property, of any other provision of law not in conflict with this section.*



## Section 3693 Amended

(a) With the exception of the sealed bid sale procedures authorized under Section 3692, all sales pursuant to this chapter shall be at public auction to the highest bidder. The amount of the high bid shall be paid ***by any method of payment authorized by Section 2502, 2503.2, or 2504, which method is at the discretion of the tax collector. Unless otherwise specified by the tax collector, payment is due on or before the close of auction*** ~~in cash in lawful money of the United States or negotiable paper or any combination thereof which the tax collector specifies.~~

***(b) The tax collector may require a person to submit a deposit, by any method of payment authorized by Section 2502, 2503.2, or 2504, for the purposes specified in this subdivision. A tax collector requiring a deposit pursuant to Section 3693.1 may determine, and shall provide public notice before the date of the sale upon determining, all of the following:***

## **Section 3693 Amended (continued)**

*(1) The method of payment of this deposit.*

*(2) The amount of this deposit.*

*(3) The due date of this deposit.*

*(4) Whether the deposit will be applied for one or more of the following purposes:*

*(A) As a condition to submitting a bid on property that is being sold under this chapter.*

*(B) As a payment toward specified property that is being sold under this chapter. If a deposit is applied for this purpose, the deposit may be applied as payment toward more than one specified property based upon the amount of the minimum bid for each property.*

## Section 3693.1 Amended

Notwithstanding Section 3693, ~~if the high bid is in excess of five thousand dollars (\$5,000) the tax collector may make the~~ ***sale of any property sold under this chapter*** a cash or credit transaction. ~~In the event the~~ ***If the tax collector approves the successful purchaser's request to treat the sale as a credit transaction, the tax collector may require a deposit in the amount of*** five thousand dollars (\$5,000) or 10 percent of the ***minimum bid*** purchase price, whichever is greater ~~shall be deposited with the tax collector and the~~. ***The*** balance of the purchase price shall ***be paid by any method of payment authorized by Section 2502, 2503.2, or 2504, in cash in*** ~~lawful money of the United States or negotiable paper~~ as specified by the tax collector and within a period specified by the tax collector not to exceed 90 days from the date of the ***close*** of the auction as a condition precedent to the transfer of title to the purchaser. ***If the purchaser was required to pay a deposit prior to the date of the sale, the deposit shall be applied toward the purchase price of the property.*** Failure on the part of the successful bidder to consummate the sale within the period specified by the tax collector shall result in the forfeiture of the deposit and all rights he or she may have with respect to that property. Any forfeiture of deposit shall be distributed to the county general fund and shall not apply to outstanding delinquent taxes. Upon forfeiture the right of redemption shall revive.

## Section 3702 Amended

The tax collector shall publish the notice of intended sale once a week for three successive weeks in a newspaper of general circulation published in the county seat and in a newspaper of general circulation published in the judicial district in which the property is situated. If the same newspaper of general circulation is published in both the county seat and in such district, or if the publication of the notice of sale is made in a newspaper which is determined pursuant to Section 3381 as most likely to afford adequate notice of the sale, a publication in such paper shall satisfy the requirements for publication set forth in this section. If there is no newspaper published in the county seat or in the judicial district, then publication may be made by posting notice in three public places in the county seat or in the judicial district, as the case may be, where no such newspaper is published. The publication shall be started not less than 21 days prior to the *date of* the sale.

## Section 3704 Amended

The notice of intended sale shall ***include*** ~~state~~ all of the following:

(a) The date, time, and place of the intended sale, ***including the electronic address if the intended sale is by public auction via the Internet or other electronic media.***

(b) ***The locations of computer workstations that are available to the public and instructions on accessing the public auction and submitting bids if the intended sale is conducted via the Internet or other electronic media.***

(c) ~~(b)~~ A description of the property to be sold.

(d) ~~(c)~~ The name of the last assessee of the property.

(e) ~~(d)~~ The minimum acceptable bid of the property to be sold.

(f) ~~(e)~~ ~~There shall also be a~~ ***A*** statement that if the property is not redeemed before the close of business on the last business day prior to the date of the sale, the right of redemption will cease.

(g) ~~(f)~~ ***A statement that if*** ~~If~~ the property is sold, parties of interest, as defined in Section 4675, have the right to file a claim with the county for any proceeds from the sale which are in excess of the liens and costs required to be paid from the proceeds.

## Section 3704 Amended (continued)

**(h) ~~(g)~~** A *statement that if* ~~if~~ excess proceeds result from the sale, notice will be given to parties of interest, pursuant to law.

**(i) ~~(h)~~** A *statement that if* ~~if~~ the parcel remains unsold after the tax sale, the date, time, and location of any subsequent sale.

**(j)** *If applicable, that a deposit is required as a condition to submit bids on the property.*

**(k)** *If applicable, a statement that, for any property purchased by a credit transaction, the right of redemption will revive if full payment is not received by the tax collector prior to the close of business on the date, as specified by the tax collector under Section 3693.1, that full payment is due.*

## Section 3706.1 Amended

The tax collector shall have authority to postpone the public auction sale or any portion thereof under the following conditions:

(a) Notice of any postponement of the sale shall be made by the tax collector who, by public declaration at the time and place originally fixed for the sale, may postpone the sale to a new time, date, and place. No other notice of the postponed sale need be given if the date for the new time, date, and place is within seven days of the time originally fixed for the sale.

(b) Notice of any postponed sale that is *scheduled* to be held not less than eight days nor more than ~~60~~ **90** days from the time originally fixed for the sale, shall be made pursuant to the same provisions that were followed in providing notice of the original sale to parties of interest, as defined in Section 4675.

## Section 3707 Amended

(a) **(1)** The right of redemption terminates at the close of business on the last business day prior to the date of the sale.

**(2) *If the tax collector approves a sale as a credit transaction and does not receive full payment on or before the date upon which the tax collector requires pursuant to Section 3693.1, the right of redemption is revived on the next business day following that date.***

(b) Notwithstanding any other provision of law, any remittance sent by mail for redemption of tax-defaulted property must be received in the tax collector's office prior to the time established in paragraph (1) of subdivision (a).

(c) The sale shall be deemed complete when ***full payment has been received***~~a qualified bid is accepted~~ by the tax collector.

(d) The right of redemption revives if the property is not sold.



## Section 3710 Amended

In addition to the usual provisions of a deed conveying real property, the deed shall specify all of the following:

- (a) That the legally levied taxes on the subject property were duly declared to be in default and were a lien on the property.
- (b) That the tax collector, pursuant to a statutory power of sale, has sold the property.
- (c) If a taxing agency objected to the sale, the fact of the objection and the name of the objecting taxing agency.
- (d) The name of the purchaser, the date *the property was sold* ~~of sale~~, and the amount for which the property was sold.
- (e) That the property is therefore conveyed to the purchaser according to law.

## Section 3716 Amended

Within 10 days after the sale, the tax collector shall report to the assessor the following:

- (a) The name of the purchaser.
- (b) The date the property was sold ~~of sale~~.
- (c) The amount for which the property was sold.
- (d) The description of the property conveyed.

## Section 3717.5 Repealed

~~The tax collector shall note the fact and date of a sale under this chapter on the margin of each delinquent and current roll on which the property appears, opposite the property sold. Any charges against the collector having custody of the delinquent and current rolls shall be reduced accordingly.~~

## Section 3791 Amended

Whenever property tax defaulted for five years or more, or three years or more in the case of nonresidential commercial property, as defined in Section 3691, in an applicable county, has been sold for taxes for two or more years or has been deeded for taxes to a taxing agency other than the state, the governing body of the taxing agency may, as provided in this article, make an agreement with the board of supervisors of the county in which the property is situated for the purchase of, or for an option to purchase, all or any of the tax-defaulted property or any part thereof including a right-of-way or other easement. When a part of a tax-defaulted parcel is sold the balance continues subject to redemption, if the right of redemption has not been terminated, and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7 of this division, except that no application need be made.

### Section 3791.3 Amended

Whenever property has been tax defaulted for five years or more, *or three years or more in the case of nonresidential commercial property, as defined in Section 3691, in an applicable county*, whether or not the property is subject to or has been sold or deeded for taxes to a taxing agency other than the state, the state, county, any revenue district the taxes of which on the property are collected by county officers, or a redevelopment agency created pursuant to the California Community Redevelopment Law, may purchase the property or any part thereof, including any right-of-way or other easement, pursuant to this chapter. A redevelopment agency, however, may only purchase this tax-defaulted property located within a designated survey area.

## Section 3792 Amended

If property tax defaulted for more than five years, *or more than three years in the case of nonresidential commercial property, as defined in Section 3691, in an applicable county*, has been sold for taxes for two or more years or has been deeded for taxes to two or more taxing agencies, they may make a joint agreement with the board of supervisors under this article. The joint agreement may provide for the conveyance of all or any interest in the property to one of them or to any combination of them.

## Section 3811 Amended

On execution of the deed to the taxing agency or nonprofit organization; ~~and on receipt of a notice of resale of the property by the taxing agency~~ the tax collector shall report the following within 10 days to the Controller, the assessor, and the auditor:

- (a) The name of the purchaser.
- (b) The *effective* date of the *sale and the date of the transfer of the* deed to the taxing agency or nonprofit organization; ~~or in the event of resale the date of the deed by the taxing agency.~~
- (c) The amount for which the property was sold ~~or in the event of resale the net amount after deducting allowable expenses.~~
- (d) The description of the property conveyed.

## Section 4217 Amended

. **(a)** Any person may elect to pay delinquent taxes in installments under this article at any time prior to 5 p.m. ~~June 30 of the fifth year after the property became tax-defaulted~~ ***on the last business day prior to the date when the tax collector obtains the power to sell the property***, except that if payment of delinquent taxes in installments is started under this article and the amount required to be paid in any fiscal year is not paid as required by this article, payments on property that, but for the installment redemption plan, would have been subject to a power of sale pursuant to Section 3691 during the calendar year in which default on the redemption plan occurs may not again be started under this article. All other payments may be started on or after July 1 of the fiscal year commencing after the fiscal year in which default occurred.

**(b) (1)** ~~A person~~ ***A person*** persons electing to pay delinquent taxes in installments may be subject to a fee for processing the person's request.

**(2)** The fee for payment of delinquent taxes in installments to the tax collector may be established by ordinance by the board of supervisors. The fee shall be governed by the provisions of Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code and may be collected on the tax bill.



## Section 4672 Amended

(a) There shall be distributed to the State of California, to be placed in the General Fund, ~~the following:~~  
~~One~~~~one~~ dollar and fifty cents (\$1.50) for all or any portion of each separately valued parcel of real property  
***that is both*** subject to a power of sale pursuant to Section 3691 and sold to private parties or to a taxing agency.  
~~If property is deeded to a taxing agency under an agreement requiring that the taxing agency resell the property,~~  
~~it shall not be deemed "sold" until resold by the taxing agency to a private party. The~~~~(b)~~ ***The*** one dollar and  
fifty cents (\$1.50) ~~for property sold~~ ***required to be distributed, pursuant to subdivision (a),*** shall be paid from  
the total ~~amount to be distributed~~ ***proceeds of the sale*** . If the total amount ***of proceeds from the sale*** is  
insufficient, the one dollar and fifty cents (\$1.50) shall be reduced accordingly.

## Section 4672.1 Amended

. (a) There shall be distributed to the county general fund to reimburse the county for the cost of conducting the sale, one hundred fifty dollars (\$150) for all or any portion of each separately valued parcel of real property subject to a power of sale pursuant to Section 3691 and sold to private parties or to a taxing agency. ~~If property is deeded to a taxing agency under an agreement requiring that the taxing agency resell the property it shall not be deemed "sold" until resold by the taxing agency to a private party. One~~

(b) ~~The one~~ hundred fifty dollars (\$150) ~~for property sold~~ ***required to be distributed pursuant to subdivision (a),*** shall be paid from the total amount to be distributed, ***proceeds of the sale only*** after satisfaction of the amount specified in Section 4672. If the amount ***of proceeds from the sale*** is insufficient, the one hundred fifty dollars (\$150) shall be reduced accordingly.

## Section 4986 Amended

(a) All or any portion of any tax, penalty, or costs, heretofore or hereafter levied, shall, on satisfactory proof, be canceled by the auditor if it was levied or charged:

(1) More than once.

(2) Erroneously or illegally.

(3) On the canceled portion of an assessment that has been decreased pursuant to a correction authorized by Article 2 (commencing with Section 4876) of Chapter 2.

(4) On property ~~which~~*that* did not exist on the lien date.

(5) On property annexed after the lien date by the public entity owning it.

(6) On property acquired by the United States, the state, or by any county, city, school district or other public entity, to the extent provided in Article 5 (commencing with Section 5081).

(7) On that portion of an assessment in excess of the value of the property as determined by the assessor pursuant to Section 469.

## Section 4986 Amended (continued)

(b) No cancellation under paragraph (2) of subdivision (a) ~~shall~~*may* be made in respect of all or any portion of any tax, or penalties or costs attached thereto, collectible by county officers on behalf of a city without the written consent of the city attorney or other officer designated by the city council unless the city council has authorized the cancellation by county officers. The resolution shall remain effective until rescinded by the city council.

*(c) If the tax, penalty, or costs, are collected more than four years following the enrollment of the tax bill, the cancellation authorized pursuant to subdivision (a) may only be performed if the cancellation action is initiated within 120 days of the payment.*

## Section 4986.6 Amended

(a) When any real property escheats to the state after the lien date and is not distributed by description, either because it is unknown, or is included in a general distribution clause without description, or is property as to which no probate proceedings have been taken, all taxes levied upon the real property are valid and any tax sale for those taxes conveys the same title thereto as if no escheat had occurred, notwithstanding any provision of law to the contrary. All those taxes levied upon the real property and tax sales duly taken pursuant to law occurring before the effective date of this section are hereby validated.

(b) If ~~any such~~ real property *as described in subdivision (a)* is discovered prior to tax sale *by delivery to the tax collector of a certified death certificate*, the public administrator of the county *where the decedent resided at the time of death, and in the county* in which the property is situated, *if different*, shall *be notified of the decedent's property that is subject to loss, injury, waste or misappropriation under Section 7600 of the Probate Code. The public administrator of the county where the decedent resided at the time of death shall take possession or control of the property under Section 7601 of Probate Code and conduct a probate investigation as authorized under Sections 7602 and 7603 of the Probate Code. Following the probate investigation, the public administrator shall do one of the following:*

## Section 4986.6 Amended (continued)

*(1) If a person with a higher priority cannot be found to assume responsibility for the estate, the public administrator of the county where the decedent resided at the time of death shall immediately commence probate proceedings with respect to the property, and the tax sale shall ~~may~~ not be made. The probate proceedings may be summary proceedings, as authorized by Section 7660 of the Probate Code, or formal proceedings as authorized by Letters of Administration from the Superior Court under Section 7620 of the Probate Code. A tax sale may not be made until the probate process is completed.*

*(2) If a person with a higher priority cannot be found to assume responsibility for the estate, and the value of the estate will not cover the taxes, the secured liens, and the cost of probate, the public administrator of the county where the decedent resided at the time of death, as authorized by Section 7603 of Probate Code, shall notify the tax collector in writing that the public administrator has investigated the estate and has determined that the anticipated equity in the property after settlement of all secured liens and taxes does not warrant opening estate administration, at which time the tax sale may proceed.*

## Section 7280 Amended

(a) The legislative body of any city, **county**, or **city** and county may levy a tax on the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for ~~a any~~ period of more than 30 days. The tax, when levied by the legislative body of a county, **applies** ~~shall apply~~ only to the unincorporated areas of the county.

(b) For purposes of this section, the term "the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging" does not include the right of an owner of a time-share estate in a room or rooms in a time-share project, or the owner of a membership camping contract in a camping site at a campground, or the guest of the owner, to occupy the room, rooms, camping site, or other real property in which the owner retains that interest.

For purposes of this subdivision:

(1) "Time-share estate" means a time-share estate, as defined by **paragraph (1) of subdivision (x)** of Section ~~11212~~ ~~11003.5~~ of the Business and Professions Code.

(2) "Membership camping contract" means a right or license as defined by subdivision (b) of Section 1812.300 of the Civil Code.

## Section 7280 Amended (continued)

(3) "Guest of that owner" means a person who does either of the following:

(A) Occupies real property accompanied by the owner of either of the following:

(i) A time-share estate in that real property.

(ii) A camping site in a campground pursuant to a right or license under a membership camping contract.

(B) Exercises that owner's right of occupancy without payment of any compensation to the owner.

~~"Guest~~

(C) **"Guest** of that owner" specifically includes a person occupying a time-share unit or a camping site in a campground pursuant to any form of exchange program.

(c) For purposes of this section, "other lodging" includes, but is not limited to, a camping site or a space at a campground or recreational vehicle park, but does not include any of the following:

(1) Any facilities operated by a local government entity.

(2) Any lodging excluded pursuant to subdivision (b).

(3) Any campsite excluded from taxation pursuant to Section 7282.



## Section 7280 Amended (continued)

(d) Subdivision (b) ~~does shall~~ not affect or apply to the authority of any city, *county*, or *city and county* to collect a transient occupancy tax from time-share projects ~~that which~~ were in existence as of May 1, 1985, and which time-share projects were then subject to a transient occupancy tax imposed by an ordinance duly enacted prior to May 1, 1985, pursuant to this section. ***Chapter 257 of the Statutes of 1985 may not be construed to*** ~~The act adding this subdivision shall not in any way affect any litigation pending on or prior to December 31, 1985.~~

***(e) (1) (A) If the legislative body of a city, county, or city and county elects to exempt from a tax imposed pursuant to this section any of the following persons whose occupancy is for the official business of their employers, the legislative body shall create a standard form to claim this exemption and the officer or employee claiming the exemption shall sign the form under penalty of perjury:***

***(i) An employee or officer of a government outside the United States.***

***(ii) An employee or officer of the United States government.***

***(iii) An employee or officer of the state government or of the government of a political subdivision of the state.***

## Section 7280 Amended (continued)

*(B) The standard form described in subparagraph (A) shall contain a requirement that the employee or officer claiming the exemption provide to the property owner one of the following, as determined by the legislative body of the city, county, or city and county imposing the tax, as conclusive evidence that his or her occupancy is for the official business of his or her employer:*

*(i) Travel orders from his or her government employer.*

*(ii) A government warrant issued by his or her employer to pay for the occupancy.*

*(iii) A government credit card issued by his or her employer to pay for the occupancy.*

*(C) The standard form described in subparagraph (A) shall contain a requirement that the officer or employee provide photo identification, proof of his or her governmental employment as an employee or officer as described in clause (i), (ii), or (iii) of subparagraph (A), and proof, consistent with the provisions of subparagraph (B), that his or her occupancy is for the official business of his or her governmental employer.*

**Section 7280 Amended (continued)**

*(2) There shall be a rebuttable presumption that a property owner is not liable for the tax imposed pursuant to this section with respect to any government employee or officer described in clause (i), (ii), or (iii) of subparagraph (A) of paragraph (1) for whom the property owner retains a signed and dated copy of a standard form that complies with the provisions of subparagraphs (B) and (C) of paragraph (1).*

*(f) The provisions of subdivision (e) are not intended to preclude a city, county, or city and county from electing to exempt any other class of persons from the tax imposed pursuant to this section.*

## Section 7283.5 Added

*(a) (1) A purchaser, transferee, or other person or entity attempting to obtain ownership of a property, the owner of which is required to collect the tax imposed pursuant to this chapter, may request the city, county, or city and county in which that property is located to issue a tax clearance certificate under this section.*

*(2) A city, county, or city and county that issues a tax clearance certificate under this section may charge an administrative fee to cover its costs in issuing the certificate.*

*(b) Within 90 days of receiving a request described in subdivision (a), a city, county, or city and county shall do either of the following:*

*(1) Issue the tax clearance certificate.*

*(2) (A) Request the current owner of the property to make available that owner's transient occupancy tax records for the purpose of conducting an audit regarding transient occupancy taxes that may be due and owing from the owner of the property.*

## Section 7283.5 Added (continued)

*(B) (i) Complete the audit described in subparagraph (A) on or before 90 days after the date that the current or former owner's records are made available to the auditing jurisdiction and issue a tax clearance certificate within 30 days of completing the audit.*

*(ii) If, after completing the audit, the city, county, or city and county makes a determination that the current owner's records are insufficient to make a determination of whether transient occupancy taxes may be due and owing, the city, county, or city and county is not required to issue a tax clearance certificate as otherwise required by this subdivision. The city, county, or city and county shall, within 30 days of making that determination, notify the purchaser, transferee, or other person or entity that made the request that it will not issue a tax clearance certificate due to the insufficiency of the prior owner's records.*

*(c) If a city, county, or city and county does not comply with subdivision (b), the purchaser, transferee, or other person or entity that obtains ownership of the property shall not be liable for any transient occupancy tax obligations incurred prior to the purchase or transfer of the property.*

*(d) For a tax clearance certificate issued under this section, all of the following apply:*

## **Section 7283.5 Added (continued)**

*(1) The certificate shall state the amount of tax due and owing for the subject property, if any.*

*(2) The certificate shall state the period of time for which it is valid.*

*(3) The purchaser, transferee, or other person or entity who obtains ownership of the property may rely upon the tax clearance certificate as conclusive evidence of the tax liability associated with the property as of the date specified on the certificate.*

*(e) Any purchaser, transferee, or other person or entity described in subdivision (a) who does not obtain a tax clearance certificate under this section, or who obtains a tax clearance certificate that indicates that tax is due and fails to withhold, for the benefit of the city, county, or city and county, sufficient funds in the escrow account for the purchase of the property to satisfy the transient occupancy tax liability, shall be held liable for the amount of tax due and owing on the property.*

*(f) This section may not be construed to relieve a property owner of transient occupancy tax obligations incurred when that owner owned the property.*

## **Section 7283.51 Added**

Notwithstanding any other provision of law, except in the case of fraud or the failure of a property owner to file a transient occupancy tax return, a city, county, or city and county may institute an action to collect unpaid transient occupancy taxes within four years of the date on which the transient occupancy taxes were required to be paid.

It is the intent of the Legislature that this bill not be construed to make any changes to transient occupancy tax laws that apply to charter cities and charter counties.

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[STATUTES TOC](#)

[◀ NEXT SECTION ▶](#)

[◀ MORE TEXT ▶](#)  
[BILL INFORMATION](#)



## Section 20583 Amended

(a) "Residential dwelling" means a dwelling occupied as the principal place of residence of the claimant, and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a home, owned by the claimant, the claimant and spouse, or by the claimant and either another individual eligible for postponement under this chapter or an individual described in subdivision (a), (b) or (c) of Section 20511 and located in this state. It

shall include condominiums and mobilehomes ~~which~~*that* are assessed as realty for local property tax purposes. It also includes part of a multidwelling or multipurpose building and a part of the land upon which it is built. In the case of a mobilehome not assessed as real property ~~which~~*that* is located on land owned by the claimant, residential "dwelling" includes the land on which the mobilehome is situated and so much of the land surrounding it as reasonably necessary for use of the mobilehome as a home.

## Section 20583 Amended (continued)

(b) As used in this chapter in reference to ownership interests in residential dwellings, "owned" includes (1) the interest of a vendee in possession under a land sale contract provided that the contract or memorandum thereof is recorded and only from the date of recordation of the contract or memorandum thereof in the office of the county recorder where the residential dwelling is located, (2) the interest of the holder of a life estate provided that the instrument creating the life estate is recorded and only from the date of recordation of the instrument creating the life estate in the office of the county recorder where the residential dwelling is located, but "owned" does not include the interest of the holder of any remainder interest or the holder of a reversionary interest in the residential dwelling, (3) the interest of a joint tenant or a tenant in common in the residential dwelling or the interest of a tenant where title is held in tenancy by the entirety or a community property interest where title is held as community property, *and (4) the interest in the residential dwelling in which the title is held in trust, as described in subdivision (d) of Section 62, provided that the Controller determines that the state's interest is adequately protected.*

## Section 20583 Amended (continued)

(c) For purposes of this chapter, the registered owner of a mobilehome shall be deemed to be the owner of the mobilehome. (d) Except as provided in subdivision (c), and Chapter 3 (commencing with Section 20625), ownership must be evidenced by an instrument duly recorded in the office of the county where the residential dwelling is located. (e) "Residential dwelling" does not include any of the following:

(1) Any residential dwelling in which the owners do not have an equity of at least 20 percent of the full value of the property as determined for purposes of property taxation or at least 20 percent of the fair market value as determined by the Controller and where the Controller determines that the state's interest is adequately protected. The 20 percent equity requirement shall be met at the time the claimant or authorized agent files an initial postponement claim and tenders to the tax collector the initial certificate of eligibility described in Sections 20602, 20639.6, and 20640.6.(2) Any residential dwelling in which the claimant's interest is held pursuant to a contract of sale or under a life estate, unless the claimant obtains the written consent of the vendor under the contract of sale, or the holder of the reversionary interest upon termination of the life estate for the postponement of taxes and the creation of a lien on the real property in favor of the state for amounts postponed pursuant to this act.

### **Section 20583 Amended (continued)**

(3) Any residential dwelling on which the claimant does not receive a secured tax bill.

(4) Any residential dwelling in which the claimant's interest is held as a possessory interest, except as provided in Chapter 3.5 (commencing with Section 20640).

(5) (A) Except as provided in this section, any residential dwelling on which the property taxes, as defined in Section 20584, are delinquent at the time the application for postponement under this chapter is made or on which any other property tax or special assessment imposed by a special district or other tax code area is delinquent at the time the application for postponement under this chapter is made.

## Section 20583 Amended (continued)

(B) Any taxes or assessments described in subparagraph (A) ~~which~~*that* are delinquent on July 1, 1977, ~~shall~~*will* not disqualify an otherwise eligible dwelling for postponement under this chapter. An application for postponement under this chapter to postpone the payment of property taxes for the 1977-78 fiscal year, shall also constitute an application for the postponement of all those delinquent taxes and assessments, together with any penalties, interest, fees, or other charges resulting from that delinquency and those amounts shall, unless otherwise paid by the claimant, be paid out of the amount appropriated by Section 16100 of the Government Code and shall be added to and become part of the obligation secured by the lien provided by Section 16182 of the Government Code; provided, however, that upon payment of delinquent taxes and assessments for fiscal year 1976-77 out of the amount appropriated by Section 16100, any delinquent penalties, interest, fees or other charges resulting from the delinquency of those taxes and assessments for fiscal year 1976-77 shall be canceled.

## Section 20583 Amended (continued)

(C) For 1978-79 and thereafter, any taxes or assessments described in subparagraph (A) ~~which~~*that* became delinquent after the claimant was 62 and before the claimant first has established a lien pursuant to Section 16182 of the Government Code ~~shall~~*will* not disqualify an otherwise eligible dwelling for postponement under this chapter. An application to postpone taxes for 1978-79 or thereafter shall also constitute an application for the postponement of all delinquent taxes and assessments, together with any penalties, interest, fees, or other charges resulting from the delinquency and those amounts shall, unless otherwise paid by the claimant, be paid out of the amount appropriated by Section 16100 of the Government Code and shall be added to and become part of the obligation secured by the lien provided by Section 16182 of the Government Code.

## Section 20583 Amended (continued)

(6) All taxes or assessments described in subparagraph (A) of paragraph (5) ~~which~~**that** are delinquent on the date this bill takes effect ~~shall~~**will** not disqualify an otherwise eligible blind or disabled applicant's dwelling from postponement under this chapter. A blind or disabled citizen's application for postponement of property taxes ~~shall~~**will** not constitute an application for the postponement of any delinquent taxes and assessments, or any penalties, interest, fees or other charges resulting from delinquency. Delinquent taxes of blind or disabled applicants ~~shall not be~~**are not** subject to postponement under this chapter.

## Section 20584 Amended

*Notwithstanding any other provision of law, except in the case of fraud or the failure of a property owner to file a transient occupancy tax return, a city, county, or city and county may institute an action to collect unpaid transient occupancy taxes within four years of the date on which the transient occupancy taxes were required to be paid.*

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[STATUTES TOC](#)

[◀ NEXT SECTION ▶](#)

[◀ MORE TEXT ▶](#)  
[BILL INFORMATION](#)



## Section 20602 Amended

(a) "Residential dwelling" means a dwelling occupied as the principal place of residence of the claimant, and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a home, owned by the claimant, the claimant and spouse, or by the claimant and either another individual eligible for postponement under this chapter or an individual described in subdivision (a), (b) or (c) of Section 20511 and located in this state. It

shall include condominiums and mobilehomes ~~which~~*that* are assessed as realty for local property tax purposes. It also includes part of a multidwelling or multipurpose building and a part of the land upon which it is built. In the case of a mobilehome not assessed as real property ~~which~~*that* is located on land owned by the claimant, residential "dwelling" includes the land on which the mobilehome is situated and so much of the land surrounding it as reasonably necessary for use of the mobilehome as a home.

(b) As used in this chapter in reference to ownership interests in residential dwellings, "owned" includes (1) the interest of a vendee in possession under a land sale contract provided that the contract or memorandum thereof is recorded and only from the date of recordation of the contract or memorandum thereof in the office of the county recorder where the residential dwelling is located, (2) the interest of the holder of a life estate provided that the instrument